

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7021

BILL NUMBER: SB 281

NOTE PREPARED: Jan 3, 2009

BILL AMENDED:

SUBJECT: Contributions for food banks.

FIRST AUTHOR: Sen. Errington

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill adds the Indiana Food Bank Trust Fund as a charitable purpose to which an individual may choose to give all or part of the individual's state income tax refund.

Effective Date: July 1, 2009; January 1, 2010.

Explanation of State Expenditures: *Department of State Revenue (DOR):* The DOR will incur additional expenses to revise tax forms, instructions, and computer programs to reflect the tax refund checkoff for the Indiana Food Bank Trust Fund. The bill also requires the DOR to include a statement that contributions made to the Indiana Food Bank Trust Fund and the Nongame and Endangered Wildlife Fund will decrease or eliminate the refund owed to the taxpayer, or increase the amount that must be included with the return. The checkoff would begin in tax year 2010. The Department's current level of resources should be sufficient to implement this change.

Explanation of State Revenues: *Summary* - The bill establishes a checkoff for income tax refunds to be designated to the Indiana Food Bank Trust Fund. The checkoff applies beginning in tax year 2010, and any fiscal impact likely would not arise before FY 2011. The number of taxpayers with refunds that may select the Indiana Food Bank Trust Fund checkoff and the amounts such taxpayers may contribute is indeterminable. However, it could potentially reduce the amount that would otherwise be designated by taxpayers to the Indiana Nongame and Endangered Wildlife Fund. This is the only income tax refund checkoff that exists under current statute. In tax year 2006, the Nongame and Endangered Wildlife Fund collected \$372,398 from 29,963 tax returns. This is an average of \$12.43 per filer.

Background Information - Since tax year 2002, the checkoff for the Nongame and Endangered Wildlife Fund has generated the annual activity summarized in the table below.

Year	Filers Designating Refunds	Total Refunds Designated	Average Refund Amount Designated
2002	32,697	\$362,636	\$11.09
2003	29,069	\$363,478	\$12.50
2004	29,487	\$463,257	\$15.71
2005	28,377	\$414,475	\$14.61
2006	29,963	\$372,398	\$12.43

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources: *Indiana Handbook of Taxes, Revenues, and Appropriations, Fiscal Years 2004-2008.*

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